



OFFICE OF THE SECRETARY OF DEFENSE
WASHINGTON 25, D. C.

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Dr. Victor F. Goytia, former Panamanian Presidential Candidate and Dr. Francisco Aguirre (Nicaragua), Co-Publisher of Diario Las Americas on 8 September 1960

On recommendation of Mr. Docher of USIA, Dr. Goytia called on me to inform me of the situation in Panama. He was accompanied by Dr. Francisco Aguirre, who acted as interpreter. Dr. Goytia has held the portfolios of Minister of Education and Foreign Minister in Panama as well as being an unsuccessful Presidential candidate during the last elections. He speaks English haltingly and appears to be a devoted patriot as well as a strong proponent of democracy. His recent visit was his first visit to the United States. When asked why he had not visited the United States before now he stated that he had had opportunities but he always had some doubts as to whether he would be warmly welcomed.

Dr. Francisco Aguirre is Co-Publisher of Diario Las Americas which is published in Miami and distributed throughout various areas of Latin America. It is reported that some quantities of this newspaper are still being distributed in Cuba. It is pro-American in policy and prints certain important articles in both Spanish and English. Dr. Aguirre is an exile from Nicaragua, presently residing in Washington. He was trained by Marines during their occupation in Nicaragua and became the Commandant of the Guardia Presidencial during the term of office of President Arguello. He was exiled from Nicaragua as a result of the coup d'etat against President Arguello.

Dr. Goytia's first statement was: "I am very happy to find during my visit that the people whom I have talked to in Washington are closer to the Panamanians and understand them better than the Americans in the Canal Zone". He then stated that he had been talking to various people in the Washington area in an effort to have our government realize the sad state of the situation in Panama today. He said that he came to me to tell me that the situation was going from "bad to worse". He made the following statements during the one and one-half hour discussion.

(EXECUTIVE REGISTRY FILE _____)

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(a) The Cuban Embassy in Panama has 32 automobiles with diplomatic tags which go about the country passing out Communist and anti-American propaganda. These 32 cars carry agents who make personal contacts with individuals mainly in the lower classes, particularly in poverty stricken areas.

(b) The Cuban government is spending a lot of money subsidizing this organization.

(c) The leading Castro agent in Panama is a young medical doctor, Dr. Francisco Samaniego, who operates from Venezuela but is supported by the Cuban Embassy.

(d) At the present time there are three Communist schools in Panama conducted with Cuban financial support. One is in Panama City, another is in Santiago and the third is in Davila ? (David).

(e) That the majority of the public media in Panama is under Communist domination, mainly by the Cubans; that their entire program there is oriented against the United States and all news and information made available to the masses of people in Panama is strongly biased against United States interests.

(f) That all but a few small Panamanian radio stations are receiving money from Cuba and that Soviet propaganda is also getting to the people through these various media in spite of all U. S. efforts.

(g) That Castro is an agent of both the USSR and the Chinese Communists and receives benefits from both at the same time.

(h) That the Chinese Communists in and throughout Latin America have special interests and special influence because of the existence of many Chinese centers throughout these countries. Furthermore, that manufactured goods from China are introduced widely and outsell American products. Chinese products undersell American products. Further, in the eyes of Latin Americans, there is but one China and this is Communist China.

(i) That Latin Americans cannot understand that there is a Nationalist China because China has always been on the mainland of Asia, not the Island of Formosa. The Latins still think that Formosa is Formosa, not Nationalist China.

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(j) That Dr. Samaniego distributes medicine and provides medical care throughout rural areas and that although he is an unknown political figure at the present time, he will probably soon become the Communist leader in Panama.

(k) That the major newspapers in Panama, El Dia, Critica and La Hora, are all subsidized by Castro's agents and they have succeeded in controlling the two largest newspapers, the La Panama and L'Estrella, by coercion.

(l) That L'Estrella publishes an English language edition in the Canal Zone for Americans and that editorials contained in the English language edition are always different from the Spanish language edition which is published for Panamanian consumption. Communist propaganda does not, as a rule, appear in the English language edition.

(m) The Russians and Chinese, mainly through the efforts of Castro, have the ears of the people of Panama. As long as this situation exists, all efforts of the U. S. will be to no avail.

(n) That Chinese immigration is becoming a serious problem. The immigration laws were relaxed about ten years ago and the number of Chinese entering the country has increased to a stage of potential danger to the country not only from the political and ideological viewpoint, but from the economic viewpoint.

(o) That the Chinese Communist threat to Latin America is more serious than a penetration of the Soviet Union because there are 8000 Latin Americans in Communist China who will be more effective when they return than the number of Latin Americans who visit and study in the Soviet Union.

(p) That relationships between Panama and the U. S. are worse than they appear to be on the surface. Up to now, relationships between Panama and the U. S. have been carried on by Panama and the U. S. by improvisation of policy which has been more or less directed by headlines. Further that U. S. policy with Panama has not been guided by realities.

(q) They stated that there are two ministries of Foreign Affairs, one the U. S. State Department and the other, the Panama Foreign Office. Between these two ministries, there are discussions and agreements but

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behind each one there is an invisible master. In Panama, there are the illiterate people who are led by demagogues. This group, by mob action, rises up against the government and in many cases over-rides the actions of their Foreign office. The other invisible master, and this in the U.S., is the Pentagon. In the eyes of the Panamanians, the Pentagon often over-rides opinions rendered by the State Department.

(r) That treaties which have been made between Panama and the U.S. include statements such as: "Panama cedes or concedes to the U.S. the following, etc.". These words are used by political demagogues to inflame the people and make them feel that Panama is always on its knees before the U.S.

(s) These treaties should be changed to read: "Panama maintains with the U.S. or agrees to maintain with the U.S. the following...". In other words the language of the treaties should denote mutual action and cooperation between the governments and remove any implication or interpretation that would indicate servitude on the part of Panama.

(t) That various treaties that the U.S. has made with Spain do not contain the word "concede" because the Spaniards would never have signed such a treaty.

(u) That the Guardia Nacional is hated by the people as a tool of the government against them. The Guardia Nacional should be used to maintain the sovereignty and the solidarity of the Western Hemisphere, including the Canal Zone, in cooperation with the U.S. This would give the Armed Forces of Panama a mission and provide the Guardia Nacional with a reason for being other than its present role as a tool of the government to suppress the people.

(v) Arrangements should be made to have the people of Panama serve with the Army on a system of national conscription instead of maintaining the professional Guardia Nacional. Also that they should receive training with American troops where they would learn to live, to write, to eat properly and to understand Americans and democracy by cooperating with Americans in the Hemisphere defense. This would give them a status of equals and would provide valuable and necessary training for this mass of illiterate people who are presently an easy prey for Castro's Communist agents.

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(w) At the present time, the people of Panama have two "enemies" in Panama -- the Panama Wall Street crowd (the wealthy people who own the majority of land and businesses) and the Guardia Nacional. The majority of the people consider these two "enemies" to be tools of the U.S.; they are told this by Castro's Communist agents.

Dr. Goytia gave a lurid description of the situation which he claimed existed in Panama subsequent to Pearl Harbor. He was Minister of Education and Foreign Affairs during World War II. With the rapid and tremendous influx of American soldiers into Panama at that time, a very serious situation developed concerning the actions of these troops and the many petty crimes that were committed by these young soldiers. He stated that he conferred with the American Ambassador and the Commanding General, General Brett, on many occasions to develop cooperative programs that would enhance the Americans in the eyes of the Panamanian people and improve relationships between the population and American Servicemen. The various programs which were undertaken to improve these relationships turned out to be very profitable for both countries during the period of World War II. These cooperative programs led to the training of Panamanians to work with Americans, even participating as sky-watchers in the Hemispheric defense.

At this point Dr. Goytia dramatically described the 4th of July celebration in front of the U.S. Embassy where, for approximately two hours, the Panamanians cheered the American flag and the American Ambassador. He contrasted this situation with the events of last November when a group of Panamanians desecrated the American flag on almost the same ground where the 1943 celebration had been held. Dr. Goytia is fearful that so much ground has been lost, that tremendous efforts will have to be made to regain the prestige and relationships that have existed in the past and should exist today between the peoples of the U.S. and Panama. He believes that there is much latent and mutual good will among the people of Panama for the U.S. and that it can be brought forth again by appropriate programs.

When asked what could be done at the present time to improve the situation, Dr. Goytia stated that the paramount objective of the U.S. in Panama, and in all Latin America, should be to combat the propaganda machinery which is now in the hands of the enemy. He rightly feels that if this situation continues, disastrous results will follow. He pointed out also that American businessmen have been withdrawing advertising support

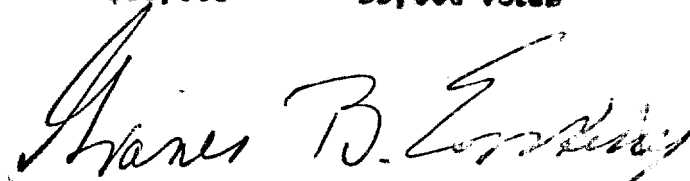
to anti-Castro newspapers and have been giving their support to newspapers supported by the Soviets and Cuban Communists. He feels that this support was withdrawn from the newspapers in an effort to appease Castro in a move to protect American business interests in Cuba from confiscation.

Dr. Goytia also pointed out that the greatest need for the people of Panama at this time is a democratic newspaper to challenge the propaganda of the enemy. He suggests the use of comic strips and other means of approach to the illiterate masses of Panama and other Latin American countries as being a very effective approach. He recommends that whatever news media is used, it must reach the masses of people.

Dr. Aguirre, the Co-Publisher of Las Americas, who acted as interpreter during this conversation, stated that 30 major U.S. business advertisers had withdrawn advertising from his newspaper because the paper is anti-Castro.

Dr. Aguirre informed me that during the last presidential elections in Panama that expenditures by candidates and votes for the three candidates were as follows:

| | | |
|---------------------|-------------|---------------|
| The President elect | \$2,700,000 | 110,000 votes |
| Other candidate | \$1,500,000 | 80,000 votes |
| Dr. Goytia | \$10,000 | 55,000 votes |



GRAVES B. ERSKINE
General, USMC (Ret)

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Executive Registry

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Allen Dulles, CIA

DATE: 16 Sept. 1960

FROM : General G. B. Erskine, USMC (Ret)

SUBJECT: Meeting with Dr. Victor F. Goytia and Dr. Francisco Aguirre
on 8 September 1960

I believe that you will be interested in the attached Memorandum for
Record.

Attach - 1

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MEMORANDUM FOR: ~~The Director~~

Copies of the attached have been
forwarded to DDCI, DD/P, and DD/I.

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(DATE)

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FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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